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NATIONAL SECURITY COUNCIL

20345

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1OCT2013

WASHINGTON, D.C. 20506

March 16, 1995

ER 95-0963/1

MEMORANDUM FOR

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President for National
Security Affairs

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Executive Secretary
Department of State

COL. ROBERT P. MCALEER
Executive Secretary
Department of Defense

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National Security &
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MR. LEON PANETTA
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of the U.S. to the United
Nations

MR. DOUGLAS GARTHOFF
Executive Secretary
Central Intelligence Agency

COL. T. R. PATRICK
Secretary
Joint Chiefs of Staff

SUBJECT: Discussion Paper for March 17 Principals Committee
Meeting on Bosnia and Croatia (S)

Attached is an NSC staff paper for discussion under agenda item I
at the March 17 Principals Committee meeting on Bosnia. It
should be read in conjunction with the February 27 NSC paper,
"Former Yugoslavia Policy Review." A copy of the earlier paper
is also attached for your convenience. (S)


for Andrew D. Sens
Executive Secretary

Attachments

Tab A March 16 NSC paper
Tab B February 27 NSC paper

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March 16, 1995

FORMER YUGOSLAVIA POLICY REVIEW:
UPDATE FOR PRINCIPALS

The Setting: Tudjman's March 12 announcement has reduced the chances of a renewed war in Croatia and a widening of the Balkan conflict. But an escalation of the war in Bosnia remains likely as the end of the cessation of hostilities approaches with no movement on the diplomatic track. The ceasefire is already showing signs of unraveling and both sides seem confident of success in a new round of fighting. Silajdzic has declared that the Bosnian Government will not extend the ceasefire beyond April 30 and that Western emphasis on containment amounts to an unacceptable attempt to freeze the status quo. Milosevic's response to the offer of sanctions relief for mutual recognition has been utterly inadequate and Serbian enforcement of the border closure with Bosnia has fallen off markedly since the second 100-day period began in January. The Contact Group is on its last legs and advocates of a lifting of the arms embargo are beginning to stir in both houses of the Congress.

The Gap Between Ends and Means: The NSC paper of February 27 noted that the U.S. has pursued a range of important, but not always compatible, objectives in trying to deal with the Bosnian conflict over the past two years. Moreover, the tools we have applied have varied in response to events and as our priorities have shifted. Since Bihac, we have backed away from attempts to bring NATO air power to bear to enforce UNSC resolutions and pressure the Bosnian Serbs to settle on terms more favorable to the Bosnian Government. Yet we did not scale back our political objectives to match our reduced leverage -- contributing to the present diplomatic impasse.

Broad Strategic Choices: The NSC paper set forth four basic strategic options:

1. Stick with present policy: continue to support Bosnians rhetorically, continue diplomatic efforts with reduced expectations of success, focus on containment.
2. Shift to a policy of neutrality regarding terms of settlement and active containment of conflict; end or suspend Contact Group activities; acknowledge we cannot produce a better deal for Bosnians.
3. Containment of conflict and long-term quarantine of Greater Serbia, including reinforced sanctions on Belgrade for the long haul.
4. Renewed push for military measures in support of Bosnians: withdraw UNPROFOR, multilateral lift and strike.

Deputies did not arrive at any firm conclusions in their one discussion of the NSC paper, but agreed with the thrust of the paper that now is the time to review our overall policy.

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They agreed we do not presently have the means to attain the political goals we have set. Discussion tended to favor the first two options.

State argued in favor of option 1, a continuation of our current policy, with the highest priority attached to preventing a major upsurge in fighting that could lead to the departure of UNPROFOR, greater human suffering, and increased pressure for U.S. military involvement. An underlying assumption is that we would put larger equities at risk if we tried to win Allied or Russian agreement to increased military pressure on the Serbs; that an accommodation among the parties will only happen after more fighting and/or a gradual recognition of the need for compromise; and that prolonging today's "relative peace" is better than the alternatives. We would not, however, take the politically and morally questionable step of pressing the Bosnians to accept more "unjust" terms, although we would try to lower Bosnian and public perceptions that the international community has the ability to deliver a "fair" settlement. This strategy could encompass the following:

- continued efforts to engage Milosevic in negotiations over cross-recognition and to gain his support for political settlements in Bosnia and Croatia, using sanctions relief as a carrot;
- follow-up on the agreement with Tudjman on new UN force by seeking to launch political negotiations based on Z-4 principles;
- reinforced efforts to isolate Pale and Knin by strengthening Serbian/Bosnian border closure, closing "back door" that permits Serbian goods to reach Bosnian Serbs through Krajina;
- strengthening the outer ring of sanctions by increasing West European support for sanctions enforcement and working with the front-line states;
- continued efforts to enhance UNPROFOR equipment and rules of engagement in Bosnia, but without pressuring UNPROFOR to adopt a belligerent anti-Serb posture;
- maintaining the structure of the Contact Group even if its effectiveness is limited, so as to deter diplomatic breakouts by Russia or others;
- consideration of selected U.S.-only or U.S.-European diplomatic initiatives;
- increased support for the Bosniac-Croat Federation;
- beefing up UNPROFOR in Macedonia.

In addition, we would strongly warn the Bosnian Government of the need to extend the ceasefire and refrain from initiating large-scale hostilities, since this could force the departure of UNPROFOR and jeopardize our readiness to provide assistance to the Federation. We would fight Congressional efforts to lift the embargo unilaterally and seek to persuade the Bosnians that they are better off militarily by making do with a leaky arms embargo rather than forcing the issue of a formal lift.

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OVP advocated a similar approach, focusing on the long-term isolation of the Bosnian and Krajina Serbs and the strengthening of the outer ring of sanctions, while providing economic and other assistance to the Federation. For the isolation strategy to be effective, there would have to be increased resources and political commitment by us and the Europeans -- to field additional sanctions monitors on the Serbian-Bosnian border and in Croatia, and to induce better enforcement of sanctions against Serbia by the front-line states.

DOD favored shifting toward option 2, a more open posture of neutrality. While we would pursue many of the same steps as State proposes to contain the conflict, we would openly acknowledge that a settlement along the lines of the Contact Group plan is not attainable without U.S. actions that it is not in our interest to take. We would thus distance ourselves from the goal of achieving a better deal for the Bosnians and abandon or downgrade the importance of the Contact Group, making clear that it is up to the parties, not the international community, to find a mutually acceptable solution.

The U.S. Contact Group representative suggested an evolutionary approach, shifting gradually from option 1 to option 2. While we would not disavow the Contact Group plan or impose unfair terms on the Bosnians, we would attempt over time to bring them to the realization that they will have to settle for less. We would, however, seek to "maximize the minimum," i.e. try to get the Bosnians the best terms that the Bosnian Serbs will accept.

None of the Deputies advocated options 3 or 4: a long-term quarantine of Serbia would be difficult to sell to the Russians and Europeans; and renewed military pressure on the Serbs through lift and strike would likely lead to an Americanization of the conflict, even if pursued multilaterally.

The Director of Strategic Plans and Policy of the Joint Staff and the NSC staff, however, suggested that a staged multilateral lifting of the arms embargo (beginning with defensive weapons), in tandem with a last-chance effort to secure Bosnian Serb acceptance of the Contact Group plan, should remain under consideration in the event that UNPROFOR withdrawal and/or Congressional pressures push us toward option 4. Our Allies' interest in U.S. participation in UNPROFOR withdrawal gives us leverage to secure their acquiescence in multilateral lift. (The Russians would need to be bought off by means of extending additional sanctions relief to Milosevic.)

Another variant of Option 4 might also be considered: a *threat* by the U.S. and its Allies to withdraw UNPROFOR and lift the arms embargo multilaterally as a means of shocking the Serbs into negotiating on the basis of the Contact Group plan. In light of the hollowness of past Contact Group threats, however, we would have to demonstrate more convincingly our readiness to make good on the threat.

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Can Containment Work? As noted, options 1 and 2 point to roughly the same concrete policy actions. They would make prevention of a new war and containment, rather than achieving a political settlement, our priority goal. They also have the same flaw: they ignore the fact that the Bosnians would rather fight than settle for the status quo, and they will not readily cooperate with a containment strategy. If the war escalates and Bosnian suffering once again dominates the headlines and CNN, Hill pressures to lift the arms embargo could become hard to manage.

If we are to prevent a new round of fighting and avoid a serious break with the Bosnians, we need to find additional positive incentives for the Bosnians to exercise restraint. These could include:

- massive economic assistance and political support to the Federation;
- measures to persuade the Bosnians that UNPROFOR is worth keeping, even if it means deferring a lifting of the arms embargo once again (e.g. deployment of additional troops to forcibly open the Blue Route to Sarajevo; a more aggressive effort to get our allies to toughen up UNPROFOR's rules of engagement throughout Bosnia; a return to NATO enforcement of the exclusion zones, etc.); and
- other steps to encourage a deferral of lift, such as a more robust program of military training (albeit one consistent with the arms embargo), intelligence support, etc.

Financial incentives alone will not likely sway the Bosnians, even if we are able to come up with serious money. The latter steps, however, would mean renewed frictions with our Allies and may be unattainable without, in the end, precipitating UNPROFOR's withdrawal. Threatening the Bosnians with punitive actions, on the other hand, would be politically indefensible.

In the final analysis, therefore, we may not be able to prevent the Bosnians from going on the offensive in the spring. The best case may be that the renewed fighting does not lead to any major Bosnian reverses and the current stalemate remains when winter returns. The worst case is that the Serbs respond by overrunning the eastern enclaves and strangling Sarajevo again. Although UNPROFOR countries may hunker down and not decide to withdraw even in the latter scenario, Congress may force the issue with unilateral lift.

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